‘It ain’t over till it’s over’

Yogi Berra, Catcher, New York Yankees

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Efforts to address climate change are quietly continuing in the United States. In the second half of March, Christie Todd Whitman, administrator of the Environmental Protection Agency, said that President Bush’s letter to Senate Republicans rejecting caps on carbon dioxide (CO_2) emissions from the electricity sector was not intended to “preclude all action on CO_2”. In fact, there have recently been a considerable number of proposals in the US to deal with climate change.

On 29 March Richard Lugar (R-IN), chairman of the Senate Agriculture Committee, held hearings on emissions trading and carbon sinks. On 23 April, Massachusetts became the first state to announce regulations that call for significant reductions in CO_2. Three days later, Alcoa announced a plan to reduce its emissions of greenhouse gases (GHGs) by 25% (and possibly 50%) from 1990 levels by 2010. Many companies in the Semiconductor Industry Association have also agreed to make GHG reductions.

Today’s international debate tends to dismiss these signs. Instead, it focuses on the notion that the US has dropped out of the battle against climate change. In fact, the public and private sectors are beginning to embrace voluntary efforts to mitigate GHG emissions and to promote emissions trading as the best policy instrument to achieve these reductions at least cost to society.

There’s a history of legislative efforts to promote CO_2 emission reductions in the US and it continues. During the 106th Congress (1999–2000), more than 20 bills were introduced related to climate change. The sponsors and co-sponsors were Republicans and Democrats, representing a substantial bi-partisan effort. These bills can be classified as:

- ☐ proposals to provide credit for ‘early’ reductions of GHG emissions;
- ☐ proposals to establish quantified limits on CO_2 emissions, generally from electric power plants as part of a multiple pollutant strategy covering CO_2, SO_2, NOx and mercury, coupled with emissions trading;
- ☐ bills that would provide funding or incentives for activities that measure or sequester carbon in biomass or soils, both at home and abroad; and,
- ☐ funding for research and development, or subsidies, for renewable energy, energy efficiency or other low-carbon sources of energy supply.

Most of these proposals did not get out of committee hearings but, taken as a whole, they are significant because they indicate a growing awareness and concern regarding climate change and the policy options to address it. The proposals deemed most important, in terms of establishing the infrastructure or promoting a market for emissions trading, are summarised below and in the table. Also presented are legislative efforts that have been introduced, or are expected to be introduced, during the 107th Congress (2001–02).

Early reduction credits: The Chafee-Lieberman Bill in the Senate (S 547) and the Lazio-Dooley Bill in the House (HR 2520) attempted to provide companies with incentives to make reductions in GHG emissions through credits that would be recognised in future regulatory regimes in the US. Thus, they provide a framework for future GHG emissions trading. Even if mandatory GHG limits and trading are imposed on electricity generators through legislation such as the ‘four-pollutant’ bills, early reduction credit legislation could provide incentives for industries other than the electric power industry to take early action.

Tonnage cap on CO_2: Several bills (eg HR 2900, HR 2980, HR 4861, HR 2569, S 1369) were introduced in both the House and Senate to provide a ‘four-pollutant’ or other multi-pollutant approach that includes SO_2, NOx, CO_2 and mercury. All of these would establish a cap on CO_2 emissions from the US electric power sector and establish or allow emissions trading. In mid-March, just days after President Bush’s decision to withdraw support for limiting CO_2 emissions from the electric power sector, versions of the four-pollutant bill were re-introduced in both the Senate and House by bi-partisan sponsors (S 556 and HR 1256).

Carbon sequestration: In related legislative initiatives, Senator Sam Brownback (R-KS) introduced the International Carbon Sequestration Incentive Act. and The Domestic Carbon Storage Incentive Act. The goals of these Acts are to enhance international conservation, promote carbon sequestration as a means of slowing the build-up of GHGs in the atmosphere, and reward and encourage voluntary environmental efforts that address climate change. Senator Brownback re-introduced both of these bills in late April in the 107th Congress.

In other anticipated developments in the 107th Congress, Senator Smith’s (R-NH) Environmental and Public Works Committee appears to be studying ways to develop a multi-pollutant bill that would include CO_2, perhaps on a voluntary basis, and might receive administration support.

Initiatives have also been undertaken at the state level. Examples include a carbon sequestration bill recently signed in Wyoming and similar efforts in Nebraska, Oklahoma and South Dakota. Climate change or emissions trading legislation has also been discussed or introduced in Illinois, Michigan, Minnesota, Ohio and Wisconsin.

In addition to “voluntary” and “emissions trading,” the other word that seems to be emerging in Washington DC is “registry”. It is likely that legislation will emerge from several sources to develop a voluntary registry for GHG reductions – a more rigorous approach to the US Department of Energy’s 1605(B) database programme that could provide the basis for baseline protection, or early reduction credit, in a later regulatory environment.

This column has previously described a private sector, voluntary initiative for trading GHGs that includes the establishment of a registry – the Chicago Climate Exchange. A report on the Exchange’s progress including a few pleasant surprises will be included in this column next month. EF

Summary of current legislation in the US Congress

Credit for early action:
To provide incentives for companies to make reductions in GHG emissions through credits that would be recognised in future regulatory regimes in the US.

1999–2000
- *Credit for Voluntary Reduction Act* (S 547) (Sen. Chafee-Lieberman)
- HR 2520 (Reps. Lazio-Dooley)

4-Pollutant (CO_2, NOx, SO_2 and Mercury):
To establish a cap on CO_2 emissions from the electric power sector in the US and establish or allow emissions trading.

1999–2000
- HR 2900 *Clean Smokestacks Act of 1999* (Reps. Waxman and Boehlert)
- HR 2980 *Clean Power Plant Act of 1999* (Rep. Allen)
- HR 4861 *Clean Power Act* (Reps. Lazio and Boehlert)
- HR 2569 *Fair Energy Competition Act of 1999* (Rep. Pallone)
- S 1369 *Clean Energy Act of 1999* (Sen. Jeffords)

2000–2001
- *The Clean Power Act of 2001* (S 556) (Sen. Jeffords and Lieberman)
- *The Clean Smokestacks Act of 2001* (HR 1256) (Reps. Waxman and Boehlert)

Carbon sequestration:

1999–2000
- S 2540 *Domestic Carbon Storage Incentive Act of 2000* (Sen. Brownback)
- S 2982 *International Carbon Sequestration Incentive Act* (Sen. Brownback)
- S 1457 *Forest Resources for the Environment and the Economy Act* (Sen. Wyden, Craig and Johnson)

2000–2001
- S 765 *Carbon Sequestration Investment Tax Credit Act* (Sen. Brownback)
- S 769 *International Carbon Conservation Act* (Sen. Brownback)